UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

IN RE:	`	
SONUS NETWORKS, INC. LITIGATION)	
)	
)	CIVIL ACTION NO.
THIS DOCUMENT RELATES TO ALL CASES)	04-10294-DPW
(not consolidated at this time))	04-10307-DPW
		04-10308-DPW
		04-10309-DPW
		04-10310-DPW
		04-10314-DPW
		04-10329-DPW
		04-10333-DPW 04-10345-DPW
		04-10345-DF W 04-10346-DPW
		04-10340-DPW
		04-10339-DF W 04-10362-DPW
		04-10362-D1 W
		04-10364-DPW
		04-10382-DPW
		04-10382-D1 W
		04-10383-D1 W
		04-10454-DPW
		04-10576-DPW
		04-10597-DPW
		04-10612-DPW
		04-10623-DPW
		04-10714-DPW

JOINT STATUS REPORT AND PROPOSED SCHEDULE

By Order dated April 30, 2004, this Court scheduled a status/scheduling conference for the above-captioned cases on **June 28, 2004 at 2:30 p.m.** In accordance with the April 30, 2004 Order, counsel have conferred regarding matters to be discussed at the scheduling conference and a proposed schedule for the case concerning the various motions to consolidate, motions for appointment of lead plaintiff(s) and lead counsel, filing of amended

pleadings, motions to dismiss, and a plan of discovery. Counsel hereby submit this Joint Status Report reflecting the proposed schedule.

I. SUMMARY OF CASE

A. Initial Class Action Complaints

Beginning on February 12, 2004, twenty related securities class action lawsuits (the "Securities Action") were filed in this Court against Sonus Networks, Inc. ("Sonus" or the "Company"), a provider of packet voice infrastructure solutions for wireline and wireless service providers headquartered in Westford, Massachusetts, and certain individuals, namely, Hassan M. Ahmed, the Company's President and Chief Executive Officer and Stephen J. Nill, Sonus' former Chief Financial Officer, Vice President of Finance and Administration, and Treasurer. The actions claim violations of sections 10(b) and 20(a) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder.1

Pursuant to stipulations filed with this Court beginning on March 19, 2004 (the "Stipulations"), the parties agreed that Defendants need not respond to the initial complaints filed with the Court, but shall respond to the Consolidated Complaint as discussed below. The Stipulations also provided that Defendants accepted service of the initial complaints filed

¹ The actions allege various class periods. Eleven of the 20 class actions pending against Sonus and the individual defendants allege a class period of June 3, 2003 through and including February 11, 2004; 5 of the 20 allege a class period of April 9, 2003 through and including February 11, 2004; 1 of the 20 alleges a class period of June 5, 2003 through and including February 11, 2004; 1 of the 20 alleges a class period of April 9, 2003 through and including February 12, 2004; 1 of the 20 alleges a class period of July 11, 2003 through and including February 11, 2004; and 1 of the 20 alleges a class period of May 12, 2003 through and including March 26, 2004. The class period that will ultimately govern this action will be determined at a later date. Specifically, after the Court appoints the Lead Plaintiff and Lead Counsel in this action, a consolidated complaint will be filed which will set forth the class period to govern the action.

A few of the pending class actions also name as defendants Paul R. Jones, Sonus' Vice President of Engineering; Edward N. Harris, Sonus' Vice President of Manufacturing; J. Michael O'Hara, Sonus' Vice President of Marketing; and Ruben Gruber, Sonus' founder and Chairman of the Board of Directors.

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in this action as of the date of the stipulation or the date of personal service upon Defendants, whichever occurred earlier.

It is anticipated that Defendants will move to dismiss the actions pursuant to Fed. R. Civ. P. 12(b)(6).

B. Motions For Consolidation, Appointment Of Lead Plaintiff, And Approval Of Lead Counsel In Securities Actions

On April 12, 2004, twelve separate motions for consolidation, appointment of lead plaintiff, and appointment of lead counsel were filed with this Court.² Subsequently, four movants withdrew their lead plaintiff applications. Thus, eight lead plaintiff applications are currently pending before this Court. Of those eight movants, six filed memoranda in further support of their motions for lead plaintiff and in opposition to other movants' applications on April 26, 2004. Each of these six movants filed reply memoranda with this Court in further support of their lead plaintiff applications on May 10, 2004.³

C. The Derivative Actions

Three shareholder derivative actions (the "Derivative Actions") are also pending before this Court. 4 The Derivative Actions assert claims against certain of the Company's officers and directors based on similar factual allegations giving rise to the Securities Actions. Plaintiffs allege that the Defendants have harmed the Company by, inter alia, causing it to issue false and misleading financial statements, incurring defense costs, and diminishing its

² No party has opposed consolidation of the actions.

³ Specifically, the following six parties filed memoranda and reply memoranda in further support of their lead plaintiff applications: BPI Global Asset Management LLP, Global Undervalued Securities Master Fund, The Farhat Group, James Brower, Brad Rollow, and Mohammed Akhtar.

⁴ The Derivative Actions are Williams v. Ahmed et al., 1-04-CIV-10359 DPW, Burk v. Ahmed et al., 1-04-CIV-10384 DPW, and Pisnoy v. Ahmed et al., 1-04-CIV-10576 DPW.

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market value, and seek damages on the Company's behalf for breach of fiduciary duty, gross negligence, and insider trading.

D. Motions For Stay, Consolidation, And Appointment Of **Lead Counsel In The Derivative Actions**

1. Motions to Stay

On March 22, 2004, Defendants moved to stay or, alternatively, to dismiss Williams in deference to a shareholder derivative action based on similar facts which is currently pending in Massachusetts Superior Court, captioned Palma v. Ahmed, No. 04-0753-BLS. The Palma action is itself the subject of a pending motion to dismiss, which was heard by the Business Litigation Session of the Superior Court on June 11, 2004. On April 12, 2004, counsel in Williams stipulated with Defendants to stay Williams pending a determination on Defendants' Motion to Dismiss in the state court action. On April 2, 2004, Defendants moved to stay Burk on the same grounds, but Burk has opposed the motion. That motion is fully briefed. Defendants also intend to file a motion to stay Pisnoy on the same grounds. The Defendants' responsive pleading in *Pisnoy* is not due to be filed until June 30, 2004.

2. Motions For Consolidation And Appointment of Lead Counsel

On April 27, 2004, Plaintiff Williams moved for consolidation of the Derivative Actions and for appointment of his counsel as lead counsel and liaison counsel. On May 11, 2004, Plaintiff in Burk opposed Williams' application, and filed her own motion for consolidation and appointment of her counsel as lead and liaison counsel. On May 11, 2004, Plaintiff in *Pisnoy* filed a response in opposition to Williams' motion.⁵ On May 25, 2004, Plaintiff Pisnoy filed a response in opposition to Burk's motion, reiterating his concern as to the propriety of consolidation of his action with Williams, and requesting that his counsel be appointed into the leadership structure of any consolidated Derivative proceedings. On May 24, 2004, Plaintiff Williams filed a Reply to Plaintiff Pisnoy and Plaintiff Burk's opposition.

Plaintiffs Burk and Pisnoy oppose consolidation of their actions with Williams to the extent such consolidation would subject them to the voluntary stay agreed to by Williams.

On May 25, 2004, Defendants filed a response to the motion to consolidate in Burk. The motions are now fully briefed.

II. PROPOSED SCHEDULE

A. Proposed Pre-Trial Schedule

1. Briefing On Lead Plaintiff And Consolidation Motions

The parties understand that at the status/scheduling conference on June 28, 2004 at 2:30 p.m., the Court will address the pending motions for (1) consolidation, for appointment of lead plaintiff, and for appointment of lead counsel in the Securities Actions and (2) consolidation and appointment of lead counsel in the Derivative Actions. The parties agree that the Securities Actions and the Derivative Actions should be the subject of separate consolidation orders.

2. Filing Of Consolidated Complaint And Motion To Dismiss Briefing

a. Securities Actions

Consistent with the Stipulations previously filed by the parties, the parties propose that following an Order of this Court consolidating the related actions and appointing lead plaintiff(s) and lead counsel: (a) Lead Plaintiff(s) shall file and serve a single Consolidated Complaint within sixty (60) days of the date of the Court's Order appointing lead plaintiff(s) and lead counsel; and (b) Defendants shall file and serve their Answer or Motion to Dismiss within forty-five (45) days of service of the Consolidated Amended Class Action Complaint.

The parties further propose that: (a) If Defendants file a Motion to Dismiss, Lead Plaintiff(s) shall file and serve their memorandum in opposition to the Motion to Dismiss within forty-five (45) days of service of the Motion to Dismiss; and (b) Defendants shall file

and serve their reply memorandum in further support of their Motion to Dismiss within twenty-one (21) days of service of Lead Plaintiff's opposition.

b. Derivative Actions

Plaintiffs in the Derivative Actions shall file and serve a single Consolidated

Derivative Complaint within sixty (60) days of the date of the Court's Order consolidating the

Derivative Actions and appointing lead counsel; and (b) Defendants shall file and serve their

Answer or Motion to Dismiss within forty-five (45) days of service of the Consolidated

Derivative Complaint.

The parties further propose that: (a) If Defendants file a Motion to Dismiss, Plaintiff(s) shall file and serve their memorandum in opposition to the Motion to Dismiss within forty-five (45) days of service of the Motion to Dismiss; and (b) Defendants shall file and serve their reply memorandum in further support of their Motion to Dismiss within twenty-one (21) days of service of Plaintiffs' opposition.

B. Plan For Discovery

1. Securities Actions

Defendants' anticipated filing of motions to dismiss will trigger a stay of all discovery in this action under the Private Securities Litigation Reform Act of 1995 (the "PSLRA"). The parties respectfully submit that until this Court resolves motions to dismiss, it is premature to establish a plan of discovery. Plaintiffs reserve the right to seek leave of court to propound discovery as they deem appropriate.

2. Derivative Actions

Plaintiffs in the Derivative Actions intend to propound discovery or seek leave to propound discovery at either the June 28, 2004 hearing or shortly thereafter. Defendants will

oppose any such discovery and will seek a stay of discovery on essentially the same grounds as they advanced in the *Palma* action. The Court in *Palma* granted Defendants' motion and stayed all discovery on May 18, 2004.

Document 28

D. Other Actions Which May Be Subject To Consolidation

The parties are not aware of any actions besides those captioned above which are subject to consolidation.⁵

Dated: June 18, 2004

Respectfully submitted,

Solomon B. Cera Gwendolyn R. Giblin

(415) 777-2230

Management LLP

Counsel for Securities Plaintiffs:

Tucche n star

Glen DeValerio
Jeffrey C. Block
Michael T. Matraia
Nicole R. Starr
Berman DeValerio Pease Tabacco

Burt & Pucillo One Liberty Square, 8th Floor Boston, MA 02109 (617) 542-8300

Attorneys for BPI Global Asset

595 Market Street, Suite 2300

San Francisco, CA 94105

Gold Bennett Cera & Sidener LLP

Attorneys for James Brower

Travio E Down II / MRS William S. Lerach

William S. Lerach Darren J. Robbins Travis E. Downs, III

Lerach Coughlin Stoia & Robbins, LLP 401 B Street Suite 1700 San Diego, CA 92101 (619) 231-1058

Attorneys for Global Undervalued Securities Master Fund Andrew L. Barroway Stuart L. Berman Sean M. Handler Schiffrin & Barroway, LLP Three Bala Plaza East, Suite 400 Bala Cynwyd, PA 19004 (610) 667-7706

Attorneys for Farhat Group

⁵ As discussed herein, the parties agree that the Securities Actions and Derivative Actions should be subject to separate consolidation orders.

Justin S. Kudler (BBO# 644824) Schatz & Nobel, PC One Corporate Center 20 Church Street, Suite 1700 Hartford, CT 06103

(860) 493-6292

Attorneys for Brad Rollow

truck V Dahlotrom/DRS

Marc I. Gross Joseph Gentile

Pomerantz Haudek Block Grossman & Gross LLP 100 Park Avenue, 26th Floor New York, NY 10017

Filed 06/18/2004

Attorneys for Mohammed Akhtar

Counsel for Derivative Plaintiffs:

Paul T. Warner

Reich & Binstock, LLP 4265 San Felipe, Suite 1000 Houston, TX 77002 (713) 622-7271

Attorneys for Plaintiff Pisnoy

Federman & Sherwood 120 N. Robinson Avenue, Suite 2720

Oklahoma City, OK 73102

William B. Federman

Attorneys for Plaintiff Williams

regory M Neppole Ines Gregory M. Nespole

Wolf Haldenstein Adler Freeman & Herz, LLP

270 Madison Avenue New York, NY 10016

Attorneys for Plaintiff Burk

Counsel for Defendants:

John D. Hughes
Edwards & Angell, LLP
101 Federal Street
Boston, MA 02110
(617) 439-4444

Attorneys for Paul R. Jones, Edward N. Harris, J. Michael O'Hara, Rubin Gruber

John R. Baraniak, Jr. Robert S. Frank, Jr. **Choate Hall & Stewart** Exchange Place 53 State Street Boston, MA 02109

Attorneys for Hassan Ahmed

Marthew of Matule Ines

Matthew J. Matule Union Thomas J. Dougherty

Skadden Arps Slate Meagher &

Flom LLP

One Beacon Street Boston, MA 02108

Attorneys for Stephen Nill

Daniel W Halston Inks

Jeffrey B. Rudman James W. Prendergast Daniel W. Halston

Wilmer Cutler Pickering Hale and Dorr LLP 60 State Street

Boston, MA 02109

Attorneys for Sonus Networks, Inc.

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D. Other Actions Which May Be Subject To Consolidation

The parties are not aware of any actions besides those captioned above which are subject to consolidation.5

Dated: June 17, 2004

Counsel for Securities Plaintiffs;

Glen De Valerio Jeffrey C. Block Michael T. Matraia Nicole R. Starr Berman DeValerio Pease Tabacco Burt & Pucillo One Liberty Square, 8th Floor Boston, MA 02109 (617) 542-8300

Attorneys for James Brower

William S. Lerach Darren J. Robbins Travis E. Downs, III Lerach Coughlin Stoia & Robbins, LLP 401 B Street Suite 1700 San Diego, CA 92101 (619) 231-1058

Attorneys for Global Undervalued Securities Master Fund

Respectfully submitted,

Solomon B. Cera Gwendolyn R. Giblin Gold Bennett Cera & Sidener LLP 595 Market Street, Suite 2300 San Francisco, CA 94105 (415) 777-2230

Attorneys for BPI Global Asset Management LLP

Andrew L. Barroway Stuart L. Berman Sean M. Handler Schiffrin & Barroway, LLP Three Bala Plaza East, Suite 400 Bala Cynwyd, PA 19004 (610) 667-7706

Attorneys for Farhat Group

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Dated: June 17, 2004

Respectfully submitted,

Counsel for Securities Plaintiffs:

Glen DeValerio Jeffrey C. Block Michael T. Matraia Nicole R. Starr Berman DeValerio Pease Tabacco Burt & Pucillo One Liberty Square, 8th Floor Boston, MA 02109 (617) 542-8300

Attorneys for James Brower

William S. Lerach Darren J. Robbins Travis E. Downs, III Lerach Coughlin Stoia & Robbins, LLP 401 B Street Suite 1700 San Diego, CA 92101 (619) 231-1058

Attorneys for Global Undervalued Securities Master Fund

Solomon B. Cera Gwendolyn R. Giblin Gold Bennett Cera & Sidener LLP 595 Market Street, Suite 2300 San Francisco, CA 94105 (415) 777-2230

Attorneys for BPI Global Asset Management LLP

Stuart L. Berman Sean M. Handler

Schiffrin & Barroway, LLP Three Bala Plaza East, Suite 400 Bala Cynwyd, PA 19004 (610) 667-7706

Attorneys for Farhat Group

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Schatz & Nobel, PC One Corporate Center 20 Church Street, Suite 1700 Hartford, CT 06103 (860) 493-6292

Attorneys for Brad Rollow

Counsel for Derivative Plaintiffs:

Paul T. Warner Reich & Binstock, LLP 4265 San Felipe, Suite 1000 Houston, TX 77002 (713) 622-7271

Attorneys for Plaintiff Pisney

Gregory M. Nespole Wolf Haldenstein Adler Freeman & Herz, LLP 270 Madison Avenue New York, NY 10016

Attorneys for Plaintiff Burk

Marc I. Gross Joseph Gentile Pomerantz Haudek Block Grossman & Gross LLP 100 Park Avenue, 26th Floor New York, NY 10017

Attorneys for Mohammed Akhtar

William B. Federman Federman & Sherwood 120 N. Robinson Avenue, Suite 2720 Oklahoma City, OK 73102

Attorneys for Plaintiff Williams

Justin S. Kudler (BBO# 644824) Schatz & Nobel, PC One Corporate Center 20 Church Street, Suite 1700 Hartford, CT 06103 (860) 493-6292

Attorneys for Brad Rollow

Marc I. Gross
Joseph Gentile
Pomerantz Haudek Block
Grossman & Gross LLP
100 Park Avenue, 26th Floor
New York, NY 10017

Attorneys for Mohammed Akhtar

Counsel for Derivative Plaintiffs:

Paul T. Warner

Reich & Binstock, LLP 4265 San Felipe, Suite 1000 Houston, TX 77002

(713) 622-7271

Attorneys for Plaintiff Pisnoy

William B. Federman
Federman & Sherwood
120 N. Robinson Avenue, Suite 2720
Oklahoma City, OK 73102

Attorneys for Plaintiff Williams

Gregory M. Nespole
Wolf Haldenstein Adler Freeman & Herz, LLP
270 Madison Avenue
New York, NY 10016

Attorneys for Plaintiff Burk

Justin S. Kudler (BBO# 644824)
Schatz & Nobel, PC
One Corporate Center
20 Church Street, Suite 1700
Hartford, CT 06103
(860) 493-6292

Attorneys for Brad Rollow

Counsel for Derivative Plaintiffs:

Paul T. Warner Reich & Binstock, LLP 4265 San Felipe, Suite 1000 Houston, TX 77002 (713) 622-7271

Attorneys for Plaintiff Pisnoy

Marc I. Gross
Joseph Gentile
Pomerantz Haudek Block
Grossman & Gross LLP
100 Park Avenue, 26th Floor
New York, NY 10017

Attorneys for Mohammed Akhtar

William B. Federman
Federman & Sherwood
120 N. Robinson Avenue, Suite 2720
Oklahoma City, OK 73102

Attorneys for Plaintiff Williams

Gregory M. Nespole Wolf Haldenstein Adler Freeman & Herz, LLP 270 Madison Avenue New York, NY 10016

Attorneys for Plaintiff Burk

Counsel for Defendants:

John D. Hughes

Edwards & Angell, LLP

101 Federal Street Boston, MA 02110 (617) 439-4444

Attorneys for Paul R. Jones, Edward N. Harris, J. Michael O'Hara, Rubin Gruber

John R. Baraniak, Jr. Robert S. Frank, Jr. Choate Hall & Stewart Exchange Place 53 State Street Boston, MA 02109

Attorneys for Hassan Ahmed

Mathew J. Matule Thomas J. Dougherty Skadden Arps Slate Meagher & Flom LLP One Beacon Street Boston, MA 02108

Attorneys for Stephen Nill

Jeffrey B. Rudman James W. Prendergast Daniel W. Halston Wilmer Cutler Pickering Hale and Dorr LLP 60 State Street Boston, MA 02109

Attorneys for Sonus Networks, Inc.

Counsel for Defendants:

John D. Hughes
Edwards & Angell, LLP
101 Federal Street
Boston, MA 02110
(617) 439-4444

Attorneys for Paul R. Jones, Edward N. Harris, J. Michael O'Hara, Rubin Gruber

John R. Baraniak, Jr.
Robert S. Frank, Jr.
Choate Hall & Stewart
Exchange Place
53 State Street
Boston, MA 02109

Attorneys for Hassan Ahmed

Mathew J. Matule
Thomas J. Dougherty
Skadden Arps Slate Meagher &
Flom LLP
One Beacon Street
Boston, MA 02108

Attorneys for Stephen Nill

Jeffrey B. Rudman
James W. Prendergast
Daniel W. Halston
Wilmer Cutler Pickering Hale and
Dorr LLP
60 State Street
Boston, MA 02109

Attorneys for Sonus Networks, Inc.